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14 June 1983

LATIN AMERICA REPORT

No. 2691

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THIRD 'SOMOS' POLL SHOWS PERONIST PARTY HAS EDGE OVER UCR

Buenos Aires SOMOS in Spanish 13 May 83 pp 4-11

[Article by E.R.: Cover Story: "Who Is Winning Today?"]

[Text] When the intimate and detailed history of the 30 October 1983 elections, and the process preceding the balloting is written, the public opinion polls being conducted by the A&C specialty company for SOMOS will be mandatory reference material. That is because throughout the series which started on 7 January 1983, continued on 11 March and is now putting together its third chapter of results it is possible to clearly detect election preferences, surprises, changes, predominant trends and certain rules of political behavior prevalent among voters.

It is not out of order to emphasize--as on previous occasions--the systematic character of the survey. Unlike saturation polls, the SOMOS study entrusted to the A&C (Business Analysts and Management Consultants) company is based on the answers given by a group of interviewees who proportionally represent all the sectors of the electoral spectrum: by age, sex, occupation and educational and socioeconomic levels. The company uses a system derived from its work with the American firm of Louis Harris & Associates, a well-known company specializing in public opinion polls. This third SOMOS poll has one important difference with respect to the previous surveys: its research scope was extended to four capitals in the interior of the country: Cordoba, Rosario, Tucuman and La Plata--which were added to the Federal Capital and Greater Buenos Aires. Thus its results are representative of the public opinion of a total of 9,097,626 voters, who represent 51 percent of the country's entire electorate (totaling 17,892,797).

The incorporation of the interior in the poll produces an important result: the margin of error has been reduced to 3 percent--more or less--instead of the 5 percent of the two previous polls. In the preparation of this study, SOMOS used two parallel criteria: a breakdown by party and candidate. Four party choices were given to the interviewees, as in the previous poll: radicalism, justicialism, a center front or coalition and a leftist front or coalition. As for the choice of candidates, the names proposed were Italo Luder, Raul Matera, Angel Federico Robledo, Isabel Peron and Antonio Cafiero, for Peronism; Raul Alfonsin and Fernando de la Rúa, for radicalism; Francisco Manrique, Nicanor Costa Mendez and Alvaro Alsogaray, for the center; and Oscar Alende, for the leftist coalition.

Individually considered, Peronism has moved to the top in the statistics by party for the first time since the series started. Its margin over radicalism is quite narrow: 28 percent compared to 27 percent. Over both parties appears the "undecided" category: 29 percent said "I do not know" to the pollsters' question. But this bloc of "undecided voters" (which will be decisive in upsetting the voting balance) is shrinking slowly but surely as the elections approach: in the March poll, this bloc represented 39 percent of the electoral spectrum--an impressive percentage--but has now been reduced by 10 percentage points. The principal beneficiary was Justicialism which jumped from 20 to 28 percent. The radicals received 3 percentage points more than in March (27) and the center gave up one point: it dropped from 4 to 3 percent. There is a slight upturn for the left, which 2 months ago did not receive enough mentions to figure in the percentage table but which now is represented by 2 percent of the total.

The poll then moves into the more fluid and variable sector of candidates. Here those "I do not know" totaled 22 percent, 7 points lower than when they were asked their party of choice. Immediate observation: there is more definition for candidates than for party structures. The candidate who received the most votes was Alfonsin (just as in January and March) with a solid 20 percent, 2 points higher than in SOMOS previous poll. He is followed by another radical, De la Rúa with 10 percent, after which the Peronists appear: Matera (8), Isabel Peron (8) and Luder (5). De la Rúa gained a percentage point with respect to March; Matera also gained 1 and Luder 2. The biggest gain--perhaps due to her elimination from the institutional list--was that of the former president who jumped from 5 to 8 percent.

The other candidates show minimal differences. Robledo and Cafiero follow with 1 percentage point, Manrique went up from 2 to 3; Alende remained at 4; and both Alsogaray and Costa Mendez moved up from 1 to 2. As in the previous poll, the total percentages received by the radical candidates exceed the party figure (30 compared to 27), just the opposite of what happened to Peronism where there is a bloc of voters--5 percent--who voted for "the candidate designated by the party."

Important differences are noted when the preferences on the basis of the interviewees' sex are compared. Women much more undecided than men: 28 percent have not decided on the candidate for whom they will vote in October, while the "undecided men" barely total 17 percent. On the other hand, they agree completely with respect to the name of Alfonsin: both registered 20 percent. Isabel Peron has more support among the men (9 percent compared to 8 percent among the women), and Luder has more support from the male sector (8) than the female sector (3). Somewhat the same thing happened to Alende, who received 5 percent from the men and 3 percent from the women. Another thought-provoking fact: men appear to be more responsive to party candidates--whether it be the Justicialist Party or another--although this factor possibly is more applicable to the former: 6 percent voted for the candidate selected by the political structure compared to 4 percent of the women.

Among [white-collar] workers, the radicals have maintained (slightly reduced) the advantage they had in March over the Peronists: 32 compared to 23 percent. In this sector, the radicals lost 1 percentage point and the Justicialists gained 8. The most important figure in the poll is perhaps the overwhelming

radical majority among students: an overpowering 51 percent compared to 8 percent for the center, 4 for the Peronists and 4 for the left. Housewives favored Justicialism (31 percent to the 23 of the radicals) and unskilled workers voted 46 percent for Peronism, far ahead of the radicals' 15. Among businessmen, merchants and professionals, radicals made a strong showing with 42 percent, almost 30 points more than the Peronists.

Educational level reflects an almost perfect symmetry between the two major parties and the level reached by the interviewees. The radicals are in the lead with respect to the number who completed their university studies. (41 percent, to 10 for the center and 6 for Justicialism); and in this category 12 percent of the voters chose "other parties," which in part may be presumed to have come from the left, in the face of the coalition presented by the poll, as the coalition did not receive any percentage points. The lines crossed at the level of interviewees who had not completed their secondary school studies (in which Peronism won 28 to 24, with 33 percent undecided), and the lines definitely moved apart in the "none" category in which the Justicialist Party received 69 percent compared to the 6 percent of the radicals and the 25 percent of undecideds. This phenomenon is repeated--somewhat attenuated--with the candidates. Isabel Peron received the majority of the votes of persons who had not completed elementary school but received no percentage points from professionals accepted by the university. In this latter category, Alfonsin was dominant (32), followed by De la Rúa with 13. Alsogaray received his biggest percentage here, 4, equaling Manrique but 1 percentage point less than Oscar Alende.

A bothersome enigma for politicians and analysts: voters who have never cast a ballot continue to give a thought-provoking advantage to Alfonsin. In March, the leader of Renewal and Change received 30 percent from new-voter males--he has dropped to 23--and 10 percent from new-voter females. Here among the new-voter females the most thought-provoking upsurge took place: the 10 percent shot up to 28 percent.

Another surprising figure from the previous poll (the 75 percent of the undecided women among those who had never voted) has dropped considerably to a less bothersome percentage: 29 percent. Most of the female "converts"--in addition to voting for Alfonsin--voted for De la Rúa (the total jumped from 3 to 10 percent) and Isabel Peron (from 2 to 9 percent). Matera also made good progress in this key bloc: his lean 2 percent in March has now risen to 6 and among the non-voter males, he also moved up 4 percentage points: from 4 to 8.

The "undecideds"--it is said--make up 29 percent of the electoral spectrum of the poll. The largest percentage of them were to be found among skilled laborers (who are far above that average: 43 percent); and in the smallest percentage of them were among the independent professionals, who totaled only 18 percent. Housewives follow, as in the March poll, exhibiting a great lack of definition, that is, 7 percentage points above the general average. When the poll enters the sector of candidates by occupation, Alfonsin's domination is obvious among the white-collar workers, students, housewives and the group made up of businessmen, merchants and professionals. His closest rival among

white-collar employees is De la Rúa (a 13-point difference); Matará is the Peronist who received the most votes from that group. De la Rúa is behind 11 percentage points in the students-of-all-levels group and 15 points among businessmen. The most contested sector was the laborers group: here Isabel Peron was in first place ahead of Raul Matará (14 to 12), and Alfonsín was tied for second place with another 12 percent. Almost one-third of the laborers, however, continue to be undecided.

The last category of the SOMOS poll deals with population groups it has just reached: the results are given by region. When the results are tallied on the basis of parties, Justicialism fairs somewhat better in the interior (30 percent) than in Greater Buenos Aires (26) and the Capital (24). Strangely, the radicals lost the Capital by 3 percentage points (21) but are moving up in the interior. The center maintains 3 points in the three regions. The coalition of the left received 3 percent in the capital but fell in Greater Buenos Aires and the interior (1 and 1). Under the heading of "other parties," the poll reflects 5 percent for the Capital and metropolitan area and only 3 percent for the interior.

On the subject of candidates, while the radicals demonstrated great homogeneity in the three regions, the Peronists, Isabel Peron and Matará, moved up strongly in the interior. The former president jumped from 3 percent in the Capital to 12 in the provinces and Matará had a very similar curve: 3 in the Capital, 7 in Greater Buenos Aires and 11 in the interior. Just the opposite happened to Luder. In any event, the most volatile figures are those of Greater Buenos Aires: the majority of "undecided" are located there.

Candidate by Occupation

White Collar
Businessmen Workers Students Laborers Housewives

CANDIDATO POR OCUPACION				
Empresario Alfonso	Empleados Alfonso	Estudiantes Alfonso	Obreros Isabel Peron	Amas de casa Alfonso
32%	25%	29%	14%	15%
De la Rúa	De la Rúa	De la Rúa	Matera	De la Rúa
17%	12%	18%	12%	11%
Oscar Alende	Matera	No sabe aun	Alfonso	Isabel Peron
9%	9%	27%	12%	11%
Luder	Luder	Manique	No sabe	No sabe aun
6%	6%	4%	12%	27%
Luder	Isabel Peron	Oscar Alende	No sabe	Matera
6%	6%	4%	30%	10%

Parties by Occupation

Radicals Justicialist Center Party Coalition of the Left
Businessmen/Merchants/Professionals/Industrialists

PARTIDOS POR OCUPACION				
	Radical	Justicialista	Partido de Centro	Coalición de Izquierda
White Collar	42%	13%	6%	4%
Collar				
Workers				
Skilled	32%	23%	4%	1%
Laborers				
Unskilled	11%	34%	1%	-
Laborers				
Students	15%	46%	1%	1%
Housewives	51%	4%	8%	4%
	23%	31%	1%	1%

Candidates by Educational Level

	Allusion	De la Rúa	Luder	Cafiero	Robledo	Isabel Perón	Mateu	Albargay
Universitario completo								
Completed University	32%	13%	3%	1%	1%	-	1%	4%
Universitario incompleto								
Did not complete University	37%	16%	7%	-	-	-	1%	-
Secundario completo								
Completed Secondary School	27%	18%	6%	-	-	3%	3%	1%
Secundario incompleto								
Did not complete Secondary School	18%	10%	5%	1%	2%	5%	13%	2%
Primario completo								
Completed Elementary School	15%	7%	6%	1%	-	10%	10%	-
Primario incompleto								
Did not complete Elementary School	5%	3%	3%	-	4%	20%	18%	-
Ninguno								
No Education	6%	-	-	-	-	50%	9%	-

Selected by No
Undecided/Other/None/Bartv /Answer

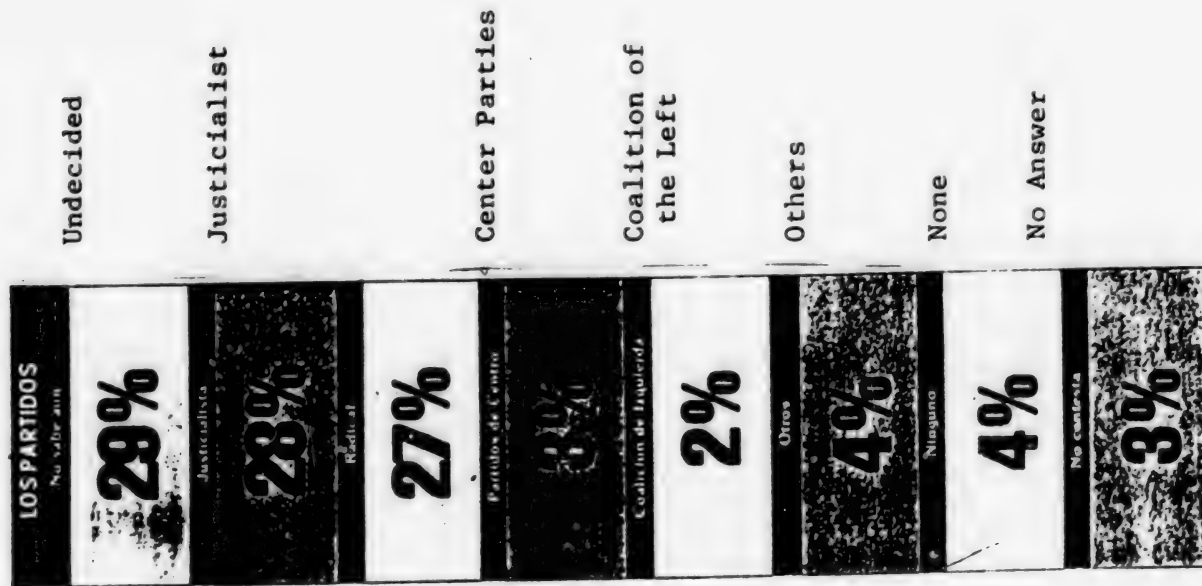
Candidate

	Manrique	C. Méndez	Alredo	No sabe aun	Otro	Ninguno	¿que elija el partido	No contesta
Completed University	4%	2%	5%	17%	3%	5%	5%	2%
Did not complete University	5%	-	7%	17%	2%	4%	4%	-
Completed Secondary School	5%	1%	5%	17%	-	8%	3%	2%
Did not complete Secondary School	2%	2%	4%	20%	4%	8%	3%	1%
Completed Elementary School	1%	2%	2%	28%	2%	6%	8%	2%
Did not complete Elementary School	2%	-	2%	30%	3%	5%	4%	3%
No Education	-	-	-	19%	6%	3%	6%	-

The Candidates



The Parties



Undecided

by sex

By Geographical Region

By Occupation



The Candidate of

Men

Women

Undecided

Party By Educational Level
Radical/Justicialist/Center/Left

PARTIDO POR NIVEL DE ESTUDIOS				
Radical	Justicialista	Centro	Left	Ignorante
41%	6%	10%	-	-
48%	10%	9%	1%	1%
40%	13%	5%	2%	2%
24%	28%	1%	1%	1%
18%	33%	1%	2%	2%
6%	59%	-	1%	1%
6%	69%	-	-	-

Completed University

Did not complete University

Completed Secondary School

Did not complete Secondary School

Completed Elementary School

Did not complete Elementary School

No Education

EL CANDIDATO DE		HOMBRES Y MUJERES	
Alfonso		20%	20%
No sabe aún		17%	28%
De la Rúa		10%	11%
Justicialista		9%	8%
Matesa		8%	8%
Ledesma		8%	3%
Alfonso		5%	3%
Matesa		3%	3%
Colotto		1%	1%
Alfonso		1%	1%
Costa Mendez		1%	2%
El que elija el partido		6%	4%
Niquero		8%	5%

The Candidate of Those Who Have Never Voted

Men	EL CANDIDATO DE LOS QUE NUNCA VOTARON		Women
	Hombres	Mujeres	
Undecided	Alfonsín		
	23%	28%	
	No sabe aún		
	17%	29%	
	De la Rúa		
	10%	10%	
	Matera		
	8%	9%	
	Isabel Perón		
	8%	9%	
	Luder		
	8%	10%	

The Party of Those Who Have Never Voted

	Men		Women	
	EL PARTIDO DE LOS QUE NUNCA VOTARON			
	Hombres		Mujeres	
Years	18-23 años	24-28 años	18-23 años	24-28 años
	Radical			
	33%	23%	30%	32%
Justicialist	Justicialista			
	27%	32%	23%	22%
Center	Centro			
	3%	3%	2%	3%
Left	Izquierda			
	3%	4%	2%	3%
Undecided	No sabe aún			
	22%	23%	34%	32%
Other	Otro			
	7%	4%	2%	-
None	Ninguno			
	4%	8%	2%	5%
No Answer	No contesta			
	1%	3%	3%	3%

Parties by Region

Partidos por zona

	Capital Federal	Greater Buenos Aires Gran Buenos Aires	Interior
Justicialist			
Justicialista	24 %	26 %	30 %
Radical	21 %	26 %	29 %
No sabe Undecided	32 %	32 %	26 %

Candidatos por zona

			Candidate by Region
Alfonsín	19 %	20 %	20 %
De la Rúa	10 %	11 %	10 %
Luder	9 %	5 %	4 %
Isabel Perón	3 %	5 %	12 %
Matera	3 %	7 %	11 %
No sabe	20 %	28 %	20 %

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CSO: 3348/393

PERONIST SLIGHT LEAD ANALYZED

Buenos Aires SOMOS in Spanish 13 May 83 p 11

[News commentary by Mariano Grondona: "Peronist Counteroffensive"]

[Text] In the first two SOMOS-A&C public opinion polls (7 January and 11 March), radicalism led Peronism by 4 or 5 percentage points. In this third poll, for the first time a slight edge for Peronism is noted: 28 percent of those polled prefer it; 27 percent favor radicalism. The fact that Peronism has been able to obtain this edge seems to have resulted from a process which we had considered possible in other commentaries: most of those who did not answer ("undecided," "none" and "no answer") are leaning toward Peronism instead of radicalism as they make up their minds. In March, for example, 39 percent were "undecided;" radicalism received 24 percent and Peronism 20 percent. Now, however, only 29 percent are "undecided" while Peronism rose from 20 to 28 percent (8 points); and radicalism from 24 to 27 (3). If this tentative "law" governing the greater leaning of the "undecided" toward Peronism is confirmed in the future, the 29 percent who are still undecided could be projected based on the current rates of change (8 for Peronism; 3 for radicalism). If we were to do so, on the eve of the elections we would have approximately these percentages: Peronism, 49 percent; radicalism, 35 percent, which would be a repeat of the Peronist percentage in 1973 (Campora); however, the radical percentage would be increased appreciably (21 percent in March 1973) without, however, endangering the Peronist victory.

For the moment, this is the most probable [scenario]. There are two reasons. One, we will mention again: the relative "delay" in the Peronist designation of candidates. While Alfonsin and De la Rúa received "more" votes in the poll than radicalism as a party, Justicialism as a party received more votes than the sum of its presidential candidates. So long as Peronism does not have a clear-cut candidate at its head, like Alfonsin for the radicals, statements in favor of such a candidate will be "delayed" (the people still do not know what to expect); however, they are in a latent state, waiting, in the swollen column of the "undecideds."

The other reason is that the "undecided"...are undecided! There is impressive proof in the poll of the extent to which preferences for radicalism and Justicialism almost exactly correspond with the educational level of those polled. Thus the radicals are making broad gains at the top level which includes

"completed" and "did not complete" university education and "completed" and "not completed" secondary education. Radical domination goes to this level. "Did complete" secondary education mark the slight advantage borderline for Justicialism. After that, we move into the heart of Peronist domination: "Completed" and "did not complete" elementary school and "no education." The figures are categorical in one special case: Isabel Peron did not receive a single vote from the "completed" and "did not complete" university levels. She received a scant 3 to 5 percent at the secondary levels. She received from 10 to 20 percent at the "completed" and "did not complete" elementary school levels. She received 50 percent at the "no education" level. Even more than a function of socioeconomic division by classes and incomes (which also exists although not markedly); the electoral preferences are distributed in a clear-cut, drastic way on the basis of what we could call the "educational classes" of Argentines (whose relationship to economic segments exists but is not symmetrical). Books or rope-soled sandals? This is a serious dilemma: the leaders will have to make an effort to conceal, to overcome a polarization which comes from the depths of society. The conclusion is disturbing: Peronism exists today because of our educational shortcomings, while radicalism moves forward to the extent that the cultural level of the Argentines progresses with it. Does this mean that it is to the "interests" of Peronism to maintain the "rope-soled sandals" sector? I do not want to believe it; I do not believe it. Does this mean that if we succeed in raising the educational level the fortunes of Peronism will decline? Not necessarily, unless the movement is unable to adapt to that intellectual progress. Over the short term, in any event, the "majority" character of the lower levels of education in Argentine society are supportive of Peronism, a de facto electoral argument which is difficult to refute.

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CSO: 3348/393

BRIEFS

PUP RESOLUTION FOR SUPPORT--The People's United Party [PUP] has adopted a resolution calling on the government and peoples of the United Kingdom and the United States of America to continue their support of the independence, sovereignty, and territorial integrity of Belize in all areas possible. The resolution was adopted yesterday at the national convention of the PUP [words indistinct]. The resolution also requested the United Kingdom Government to continue to maintain its military presence in Belize for as long as may be necessary and the United States of America to continue and increase its economic assistance with military equipment to the government and people of Belize. The convention also gave support for the efforts of the party leaders and members of the PUP and (?urged) Belizeans to re-commit themselves to the task of improving the quality of life for all Belizeans by dedicating themselves to their work and duty to increase the productivity and prosperity of our nation. [Text] [FL310235 Belize City Domestic Service in English 0100 GMT 31 May 83]

CSO: 3298/1264

FIRST QUARTER FIGURES EXCEED IMPORT REDUCTION TARGETS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 May 83 p 27

[Text] Rio--Despite the strong restrictions on imports adopted by the government since the beginning of the year the reduction of the value of imports for the first quarter of this year by the six principal companies--five of them state enterprises--that head the list of Brazilian purchases abroad totaled only \$56.5 million.

According to statistics revealed yesterday by the Foreign Trade Department of the Bank of Brazil (CZCEX), the six largest importers--the Brazilian Petroleum Corporation (PETROBRAS), Sao Paulo Airlines (VASP), National Iron and Steel Company (CSN), Ford Brazil, Furnas and the Sao Paulo Iron and Steel Company (COSIPA)--spent \$341,715,000 on purchases abroad compared to an expenditure of \$398,215,000 during the same period last year.

PETROBRAS appears in first place among the largest importers, with imports of \$173.1 million, not counting oil purchases. In the first quarter of 1982, PETROBRAS' purchases totaled \$239,155,000 thus being \$56,055,000 higher than foreign purchases this year. As for VASP, the increase of its imports was significant in the first quarter, reaching \$62,816,000 compared to \$6,109,000 during the same period in 1982.

Although the National Iron and Steel Company is among the companies that imported most during the first quarter of this year (\$29,414,000), it reduced its purchases by \$17,640,000 inasmuch as foreign transactions for the same period in 1982 totaled \$47,054,000. The opposite occurred with Ford Brazil, inasmuch as the increase of its purchases amounted to \$17,647,000, with imports of \$27,584,000 during the first 3 months of this year and \$9,937,000 for the same period in 1982. The expenditures of Furnas Electric Power Stations Corporation on construction of the transmission lines for Itaipu and on equipment for the Angra-I nuclear plant also decreased during the first quarter of 1983, when its imports totaled \$27,574,000 compared to \$64,095,000 during the same period last year, showing a positive balance of \$36,521,000.

The purchases of the Sao Paulo Iron and Steel Company (COSIPA) during the first quarter of this year were also lower (minus \$10,638,000), since the company imported \$21,227,000 compared to \$31,865,000 in 1982.

According to the CACEX statistics, the economic activity that imported the most during the first quarter of this year was the chemical industry (\$252,819,000), followed in second place by wholesale trade with \$225,763,000.

The 141 economic activities listed by CACEX required imports during the first 3 months of the year totaling \$1,711 billion, excluding crude oil, reconditioned naphtha and wheat. Oil purchases from January to March 1983 totaled \$1.982 billion, while wheat purchases totaled \$120,133,000.

8711

CSO: 3342/120

PRESTES URGES CAMPAIGNING IN STREETS FOR PCB LEGALIZATION

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 May 83 p 2

[Text] Former Secretary General Luis Carlos Prestes yesterday again attacked the leadership of the Brazilian Communist Party (PCB), declaring that "it is not by petitioning the dictatorship that the PCB will obtain legal status, which must be won in the streets in a campaign of popular mobilization for revocation of the National Security Law. Prestes considered "a farce" the suggestion of his name for the presidency of the PCB in the event that the Electoral Court grants legal status to the communists.

"With that behavior, Prestes definitely departs from the ranks of the PCB," reacted Regis Frati in Sao Paulo; Frati is one of the members of the Central Committee. He accused the former secretary general of "fostering the division and weakening of our movement, playing the game of the reactionary and authoritarian elites." He said also that Prestes "can no longer see the nose in front of his face" because "seeking legal status is a step in the specific struggle against the National Security Law."

'Bourgeois Party'

In considering the leanings of the current PCB leadership "erroneous, opportunist and rightist," Prestes, who accuses his former comrades of "betrayal of the working class" has banished any possibility of rapprochement.

According to information from PCB leaders, the Central Committee had been putting out feelers for Prestes to put his signature alongside the name of Secretary General Ciocondo Dias on the petition to register the party which will be submitted to the Superior Electoral Court in August. If he agreed, Prestes would be invited to assume the presidency of the legalized PCB.

But Prestes remains obdurate. In his opinion, "there is nothing revolutionary about the PCB," thus it is not surprising that Secretary General Ciocondo Dias asked for the support of Senator Nilo Coelho (Social Democratic Party (PDS)-Pernambuco) for the campaign to legalize the PCB. "I am not surprised because the PCB today is a bourgeois party like the PDS. They are wines from the same cask and flour from the same sack," he said sarcastically.

Past Denied

The former secretary general of the PCB does not recognize the political liberalization undertaken by President Joao Figueiredo. "What exists is a military power that exercises tutelage over the powers of the state through the National Security Law," he stressed.

According to Prestes, the statements of Generals Rubem Ludwig (chief of the Military Household) and Danilo Venturini (minister for land affairs) opposed to the legalization of the PCB prove that "there exists the most benighted anticommunist brain-washing in the armed forces such as that carried out by the parish priests in Portugal, when they used to tell their faithful that the communists ate little children."

Communist leader Regis Frati admitted that Prestes has in his past "a heritage of struggle for the communists and for the interests of the Brazilian people." But he stressed that "after we strove tirelessly to lead him back to the bosom of the PCB and incorporate him in the struggle for legality, we sadly see now that his present compromises him negatively.

"After 50 years of struggle," concludes Regis Frati, "Prestes will pass into history as a deeply contradictory, inconsistent, and even prejudicial figure not only to the communists but to the struggle for the emancipation of the Brazilian people."

8711

CSO: 3342/120

AVIBRAS TO PRESENT ANTISHIP MISSILE PLAN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 May 83 p 5

[Article by special correspondent Roberto Godoy]

[Text] The preliminary plan for the construction of the first Brazilian antiship missile of the French Exocet class, or the Israeli Gabriel class will be presented next week to Navy Minister Admiral Maximiano da Fonseca by Avibras Aerospacial of Sao Jose dos Campos. The information from a high source of the Research Institute of the ministry in Rio was confirmed yesterday by the company which, however, refused to comment on the details of the proposal. According to commercial director Pedro Vial "our group saw with satisfaction the minister's statements with regard to his preference for a national alternative and we consider that a challenge that it behooved us to accept."

The missiles, highly sophisticated technologically, are intended to equip the new corvettes that the Brazilian Navy is building under an advanced concept. The program envisages a fleet of 12 ships four of which will be built in the first stage, already begun. Integrated into its weapons system, each unit will have on board two double launching ramps controlled by computers and radar. Purchase of the Exocet itself in France would be contrary to the line of the reequipping program inasmuch as the manufacturer does not agree to grant the technology for production--or access to know-how--in the country's industrial park.

The second option is the Gabriel of the Israel Aircraft Industries which proposes to install a regular line in Sao Paulo. A third offer under consideration is the Swedish RBS-15 with greater range.

Last week, however, Minister Maximiano da Fonseca introduced a new element in that picture by declaring that he would "congratulate and contract" the Brazilian group that could put forward a local project "without a black box" within the time periods required by the naval force. Avibras believes that will be able to build the missile within 24 months "at market costs," according to engineer Pedro Vial, who did not want to comment on the possibility of the purchase of part of the necessary electronic technology from a foreign partner.

From the viewpoint of firepower, the Brazilian corvettes are minifrigates capable of going into combat under any conditions. That ship was designed to defend the coast and escort convoys. It uses electronic sensors and computers to analyze tactical data and fire-control data, thus achieving reaction speed in following various targets simultaneously. The propulsion combines two diesel motors and one gas turbine. The prospects of national sector participation in construction of each vessel are interesting, on a percentage basis:

Materials for construction of the hull	100 percent;
Propulsion systems	up to 80 percent;
Power generation and distribution	90 percent;
Communications and control	50 percent;
Auxiliary systems	90 percent;
Finishing materials	10 percent;
Manpower for construction	100 percent;
Armament	minimum of 30 percent.

A 'Devil'

It will be a fast ship, to sail at 26 knots, covering distances in the order of 4,400 nautical miles and having a displacement of 1,900 tons. The overall length of 95.77 meters reveals a low profile with a beam of 11.40 meters. In addition to the complex computerized support network, the crew of 112 men will have many combat resources: a Vickers MK-8 4.5-inch cannon; two 40/70 millimeter singleshoot automatic cannons; four Exocet class missiles in tow double carriages; six MK-46 torpedoes; a Lynx helicopter for antisubmarine and surface action; two Chaff launchers.

And what remains to be specified? "It is the devil that must characterize every warship, its basic weapon in modern war--the antiship missile," stipulates a specialist from the Ilha das Cobras navyyard who believes that "the importance of that equipment became clear in the southern conflict when on 4 May 1982 a single Exocet costing \$1 million sank a destroyer, the Sheffield, costing \$220 million."

Closed Club

At the average price of the last estimate of the Aeroespatale Company, the Exocet M-38/MM-40 costs \$1.2 million. An order of several units would lower that cost to \$800,000. The same design serves for the two most recent versions of the Israeli Gabriel, the III and IV, the latter still being tested. At least one country, Taiwan, produces the basic configuration under license with the designation of "Hsiung-Feng." The Swedish RBS-15 is more expensive and will only go into production in 1984, after release of a government contract.

The club of the builders of ship-to-ship missiles is not very large. It includes the United States, the Soviet Union, France, Great Britain, Italy, South Africa, Norway, Sweden, China, Israel and Taiwan. Argentina plans

partnership with Israel Aircraft Industries with the Gabriel as the objective(it purchased 50 missiles during the Falklands War) and Brazil can produce its own model. It will certainly be a high performance device, though conventional, in the class of the French missiles. There are three types being offered on the world market. The "fire and forget," with aiming processed by the launching ship's fire-control radar, is the simplest.

The "fire and reprogram" makes it possible to send additional data and coordinate to the computers aboard the missile itself during its flight by means of a connection between the ship's electronic systems and the weapon. The "fire and control" is the most sophisticated. It does the guidance using the combined methods of the two other variations, permits access at any moment and even incorporates a central logic to take what the engineers consider "its own decision at the last instant." Such is the case of the U.S. Tomahawk, for example, which covers a distance of 450 kilometers, and of the Ans supersonic missile, a French-German development, intended to gradually replace the Exocet, beginning in 1986.

They are not weapons to be used for short distance and for that reason their navigation centers have a terribly important function, seeking its specific target, even in the middle of a fleet, by the "electronic signature" (the signal as unique as a fingerprint emitted by the systems aboard the ships). For example, the objective may be to hit an aircraft carrier supported by two destroyers, two frigates and one submarine sailing on the surface. All will be close but the missile will know how to find the target, even if there are changes of position, speed or direction of the bow.

The Contender

Avibras Aeoespacial is going to propose to the navy a national variation that will combine the requirements of use with the most appropriate international solutions. "It is probable that the result will be, let us say, above the Gabriel and at the level of the Exocet MM-40." That is the belief of two engineers from the navy itself. The company has previous experience in purchasing advanced know-how, having rapidly assimilated that of the central firing control of the Astros-II system, a multiple/multicaliber saturation rocket launcher which will be presented at the Air and Space Salon in Le Bourget in France on the 26th.

In 1973, the director-president of the group, engineer Jaao Verdide Carvalho Leite began the program of the Caracara air-to-ground missile (which included a ground-to-air version), incorporating a dual control, by radio and television plus a laser (U.S. Rockwell) for the final phase of the trajectory. The 9-kilo high-explosive warhead was propelled by 45 kilos of propellants and reached a distance of 6 kilometers, with optimum performance between 1,500 and 2,000 meters. Since 1974, information about this device has no longer been publicized. It is known, however, that the program was discontinued due to lack of funds, although the phase of technical detailing and possibly the construction of the preassembly-line prototypes may have been completed secretly.

The prospects of the international market for a new product of the Exocet class are considered "broad" by the commercial division of the company. A recent study showed that there is an increasing demand in the Third World although restrained for two reasons: high prices and overlong delivery periods. The navy's initial order would be in the order of 12 units (four for each of the first three corvettes) followed by another not yet specified to maintain the level of armament of the six frigates. It is not a big contract but it opens up prospects of sales abroad.

At the present time, there are reportedly about 160 antiship missiles in Latin America; a low number estimated by the Strategic Studies Institute of London. "The potential purchaser segment has the power to absorb much more, especially if we can work under advantageous conditions in terms of delivery time periods," Pedro Vial believes.

Technical Specifications

The various naval forces throughout the South American continent use antiship missiles. The French Exocet and the Israeli Gabriel predominate. In the last 3 years, Venezuela and Peru have opted for the Italian Otomat. In the region, only Cuba uses Soviet material, the medium-range Styx. The technical specifications of those weapons are basically the same as those of the Brazilian configuration that is going to be presented to the navy.

	EXOCET		GABRIEL III RBS-15	
	38-mm	40-mm		
Length	5.21 m	5.78 m	3.81 m	4.35 m
Caliber	350 mm	350mm	340 mm	500 mm
Span	1.4 m	1.13m	1.35 m	1.4 m
Weight	735 kg	850 kg	560 kg	770 kg
Speed	mach 0.93	mach 0.93	mach 0.7	mach 0.8
Range	42 km	70 km	36 km	250 km (estimated)
Warhead	165 kg	165 kg	150 kg	220 kg
Guidance	(inertial and radar)		(optional)	(cruise and radar)

	OTOMAT	STYX-2A/2B/2C
Length	4.46m	6.25 m
Caliber	460 mm	750 mm
Span	1.35 m	2.75 m
Weight	770 kg	2,300 kg
Speed	mach 0.9	mach 0.9
Range	180 km	40 km (2A/2B)
		80 km (2C)
Warhead	210 kg	400 kg (2A/2B)
		450 kg (2C)
Guidance	(cruise and radar)	(radio-control and infrared)

8711

CSO: 3342/120

U.S. ROLE IN EASTERN CARIBBEAN QUESTIONED

Havana VERDE OLIVO in Spanish No 18 5 May 83 pp 20-21

[Commentary by Roberto Morejon: "Who's threatening whom?"]

[Text] In attempting to justify their interventions, the Yankee imperialists resort to the most unlikely lies, some of which would be laughable if they did not conceal warlike designs.

Something like this happened recently when U.S. President Ronald Reagan asserted that the small island of Grenada posed a direct threat to the security of the United States, a military power of the first order.

The current resident of the White House endeavored to make his audience believe that a 344-square kilometer island could cause serious damage to a nation like the United States, which covers 9,347,680 square kilometers.

It is inconceivable that a statesman who is also the commander in chief of a military outfitted with the latest weapons of extermination would resort to such a claim to throw a smokescreen over the CIA's and his administration's plans to destabilize Grenada just because it is engaged in a revolutionary process.

This island in the eastern Caribbean is being pressured and threatened militarily and economically and is the victim of disinformation by the press that serves imperialism.

The United States is actually a threat to Grenada, not vice-versa, as the Yankee chief executive malevolently claims.

It so happens that the island is located in a zone that the White House regards as its "sphere of influence." In 1977, the former assistant secretary of state for Latin American affairs, Terence Todman, said that the Caribbean was his country's "third border." In other words, it belongs to the United States.

Alexander Haig, Reagan's first secretary of state, reaffirmed this view, and last February the president himself referred to the area in question as "the fourth border."

Thomas Enders, the current assistant secretary of state for Latin American affairs, asserted without blushing that "the Caribbean basin is a vitally important region for the United States...Our security will be jeopardized by a string of hostile States along our so-called 'third' border."

Although there is some disagreement as to the exact number of the border (third or fourth), they all describe the area as U.S. property. The countries that have gained independence from their former mother countries and that have taken sovereign stands have now become the targets of imperialism's wrath.

Washington does not want to see its sizable investment in the area (totaling some \$18 billion) endangered. Behind these investments are 400 transnational corporations that are squandering local resources.

Thus, in 1980 the Pentagon ordered 150,000 troops stationed around the perimeter of the Caribbean, where they serve as veritable watchdogs of the empire's interests.

It also bolstered its presence with the rapid-deployment Special Task Force headquartered in Key West. Over the past 3 years it has conducted 11 military maneuvers in the Caribbean, including "Ocean Venture," "Falcon View," "Safe Pass," "NATO," "Readex," "Unitas," "Kindle Liberty" and "Defex." This list does not include the many secret exercises that have been conducted.

This past 11 March the war exercises called "Readex 1-83" began off the coast of Puerto Rico with the ostentatious deployment of 77 vessels and more than 300 airplanes, in addition to numerous helicopters that came dangerously close to Grenada's air space.

Although the United States claims that it wants peace in the Caribbean, it is certainly bringing the spirit of war there by boosting its military aid shipments instead of providing material resources to alleviate economic problems.

U.S. military aid to the eastern Caribbean (excluding, of course, aid to the Saint George's government) rose from \$10,000 in 1981-82 to more than \$6 million in 1982-83. As part of this increased aid, a special effort was made to strengthen Jamaica militarily, in consideration of the devotion that Prime Minister Edward Seaga has professed for Reagan and the role that Reagan would like the island to play as a "showcase" for its neighbors.

This entire move to shore up the American military presence in the area is aimed fundamentally at Grenada and is complemented by the diatribes of Yankee officials against the island.

Acknowledging implicitly that Yankee aircraft spy on the tiny island, Ronald Reagan displayed some photographs a few weeks ago that he said proved the existence of military bases there.

These "disclosures" were interpreted by Maurice Bishop's government as the cover for an imminent attack, and therefore the entire country was put on alert. There were many justifiable reasons for this move.

THE WASHINGTON POST uncovered the CIA's plans to topple the Grenada revolution, plans that were originally submitted to President James Carter and then to Reagan.

Reports from the island's intelligence service confirmed the overseas counterrevolutionary plans supported by the criminal Yankee agency. The plans were for an assault by mercenaries, including some Cuban-born individuals and former Somoza guard members living in Miami.

Maurice Bishop asserted categorically that his country knew how many men were to be used in the caper, the targets that they hoped to destroy, the individuals selected for murder or arrest and the measures to be taken to trigger panic among the populace.

Certain conservative governments in the region have also been party to these threats, as the Eastern Caribbean Defense Treaty was unexpectedly revived at Edward Seaga's urging, and Barbados, St. Lucia, Antigua-Barbuda, St. Vincent, the Grenadines and Dominica joined together, apparently in October 1982, in a suspicious military pact from which Grenada was, significantly, excluded.

As a pretext they point to the alleged military potential of the airport that is currently being constructed on Grenada, specifically on Point Salines Peninsula. Washington and its henchmen are claiming that the facility exceeds the requirements of the country building it.

But this argument does not hold water either. The air terminal project was recommended back in 1954 by British experts and revived in 1976 and 1977 under Eric Gairy's dictatorship; even the World Bank looked into the possibility of providing loans.

Six Caribbean islands have airports similar to or larger than the one on Point Salines. The ones on Aruba, Antigua and St. Lucia are the same size, and as far as we know, the United States has never voiced opposition to operations at them.

The former U.S. ambassador for the eastern Caribbean, Sally Shelton, has asserted that it is illogical for her country, which is that powerful, to feel worried about and threatened by what is being done on Grenada.

Congressman Ronald Dellums told a House of Representatives subcommittee that the American commander in charge of the U.S. and NATO units in the Caribbean had told him that nothing going on on Grenada poses a danger to the United States.

Other U.S. officers assured Dellums that the facility would never pose a threat to Washington, which the congressman himself corroborated on a personal visit to Point Salines.

The Pentagon is quite familiar with the real reasons that the air terminal is being constructed, but it would rather not have them become public knowledge. The present airport is small and exposed to strong winds because it is ringed by mountains. A trip to Grenada requires stopovers in other capitals, which boosts the fare.

When the new runway opens, the number of tourists is expected to rise from 32,000 to 50,000 a year, which would represent a major source of foreign exchange earnings. Cargo shipments would also be facilitated, and the island would not be so dependent on the regional airline LIAT, which has threatened to suspend service to St. George's.

As we can see, the future airport and the foreign and domestic policies of the Maurice Bishop administration pose no threat to the United States.

Although the island feels justifiably threatened by the statements and actions of Yankee officials (it has ample evidence in this regard), the St. George's authorities have put forth many initiatives for a dialogue without conditions to seek a negotiated settlement. The White House has rejected them.

Meanwhile, Washington is proceeding with its preparations for an attack on the island, the timing of which will be determined by the context of events in the area.

The people of Grenada remain prepared to repel the invaders as they move ahead with the economic plans. They all know that the threat comes from the United States.

8743

CSO: 3248/807

CADRE EVALUATION OF MILITARY OFFICERS STRESSED

Havana VERDE OLIVO in Spanish No 18 5 May 83 p 57

[Article by Col Jose I. Perez Pera]

[Text] Evaluation is one of the most difficult aspects of selecting and placing cadres, because it is the basis for determining where, in what post, in what job and at what level in what body one or another comrade can best be utilized and for correctly determining his ultimate assignment."

This tenet, which is set forth in the position paper on the policy of training, selecting, placing, promoting and upgrading cadres, as approved by the First Congress of the Cuban Communist Party, and which was reaffirmed by the Second Congress, highlights the enormous responsibility that chiefs, political bodies and cadre groups take on when they assess the qualities of military cadres.

Cadre evaluation is an ongoing activity that encompasses various aspects of the military and social life of officers and plays a major role in the general system of work with them, inasmuch as it makes them more concerned about their personal performance and the performance of the group that they head.

One of the more important goals of officer evaluation is the creation of a strong reserve of candidates for posts of greater responsibility or for assignment to courses in higher-level Military Education Centers, which by its very essence is decisive for the development and strengthening of the Revolutionary Armed Forces.

The findings of the evaluation process give rise to specific tasks for chiefs, political bodies and cadre groups, tasks aimed at developing a consistent training policy and at enhancing the methods and style of working with the officers.

Officers are evaluated not only from a personal standpoint but also in terms of their performance on the job, and this brings out their true aptitudes and capabilities as well as their shortcomings and limitations.

This multifaceted evaluation enables us to draw conclusions as to how well-suited each officer is to the activity that he is engaged in at the time of the evaluation and as to his prospects for development, and on this basis appropriate proposals and recommendations can be made to insure such development.

These conclusions and proposals are used in drawing up the lists of candidates for higher posts or for further study. These lists are not static documents; on the contrary, putting their proposals into practice and constantly adding to them officers who have done outstanding work or have eliminated their shortcomings lends them great dynamism.

We should stress here that the bottom line on the findings of any evaluation process is the opportune adoption of the proposals and recommendations put forth in the evaluation of each officer. The candidate lists must be strictly followed up, so that only deserving officers are promoted to higher posts or sent on for further study. If there are candidates whose qualities have been corroborated in evaluations, then it is inadmissible to promote or send on for further study other officers whose potential has not been duly evaluated or who have been shown to have problems on the job or in their personal conduct.

This approach to evaluations and to the use of candidate lists is of the utmost importance to military cadres, because it gives them the assurance that the Armed Forces are concerned about their personal development and that this is the object of ongoing analysis.

A mastery of the objectives of evaluation, of its predominantly educational role and of what it means to raising the training levels of officers and troops, enhances the authority of chiefs, political bodies and cadre groups in pursuing their work with military cadres, which has a decisive influence on the results achieved in combat and political training and in the education of personnel.

8743

CSO: 3248/807

BRIEFS

RELATIONS ESTABLISHED WITH PRC--Roseau, Dominica, 18 May, CANA--China and Dominica have agreed to a technical co-operation package that includes agriculture, agro-processing and fisheries, according to a communique issued here today. The agreement was reached during Prime Minister Eugenia Charles May 5-10 visit to Peking during which she had discussions with top officials including Prime Minister Sun Yen Suan. [name as received] The two sides also agreed to establish diplomatic relations at ambassadorial non-resident level, effective May 10. Further discussions on co-operation between Peking and Roseau are to take place here soon, following the arrival of a team of Chinese experts. According to the communique, "the two prime ministers reiterated the firm position of their two governments to uphold the principles of international justice, freedom and human dignity. They agreed that all freedom-loving nations should further promote unity and co-operation among themselves so as to ensure the security and progress of the free world." It said that in view of the fact that the two governments shared the same political ideas and had the desire to strengthen economic and technical co-operation they agreed to establish diplomatic relations. Prime Minister Charles is now winding up a three-week tour of the Far East aimed at luring investors to the island. She is due back here on Friday. [Text] [FL190025 Bridgetown CANA in English 2054 GMT 18 May 83]

CSO: 3298/1265

POLITICAL CAMPAIGNING AMONG RESIDENTS IN NEW YORK

Santo Domingo LISTIN DIARIO in Spanish 2 May 83 p 9-A

[Article by Saul Pimentel]

[Text] Partisan politics, which have caused frequent divisions in Santo Domingo, seem to have become a means to unify the nearly 1 million Dominicans living in New York.

Although they are far from their own country and aware that they will not derive any immediate benefits from their party work, a growing number of Dominicans are members of Dominican political organizations, with as much or greater intensity than their relatives who live in Santo Domingo.

In contrast to other immigrant colonies, which have also established social centers and centers to help orient recently-arrived compatriots in New York, the Dominicans have traditionally formed a fragmented community that was very hard to bring together.

Nevertheless, in recent months that picture has changed, and one may easily see up to 300 Dominicans under one roof and supporting a single common ideal. Politics is the vehicle that accomplishes that unification, a discipline that is apparently taken as psychological justification for not feeling so far from home and to keep an active involvement with the Dominican Republic.

That is how the major Dominican parties, including those of the so-called "revolutionary left," have become represented in New York, in associations that conduct public activities with burning enthusiasm.

Any Latin visitor is pleased to see signs on the outside walls of the old buildings in Manhattan: "Down with Repression of Immigrants," "Down with Repression in the United States--Popular Fight for Socialism," secretly painted by members of Dominican leftist parties, as their compatriots have done in the crowded neighborhoods of Santo Domingo.

Those signs also abound in the subway tunnels and compete in number with the emblems and crude messages that American youths also spray-paint in the same places.

At this very moment, pasted to building walls in Manhattan, the New York borough where most of the Dominicans are concentrated, there are scores of posters from the United Left and the Socialist Unity (the two blocs of the Dominican left)--invitations to a "ceremony of unity" to be held last Sunday 24 April to celebrate the anniversary of the 1965 war.

Another pleasant surprise for any Dominican going down Broadway is to see, on the second floor of a building on the corner of Broadway and 146th street, an office of the Dominican Liberation Party [PLD] which has on its face a sign with the organization's name, a yellow star, and a photo of Juan Bosch just as on the PLD offices in Santo Domingo.

The majority parties, the Reformist (PR) and the Dominican Revolutionary Party (PRD) even have central headquarters and local offices scattered throughout the various boroughs. Curiously, there are also internal divisions, caused by the "tendencies struggle."

For example, the PR is divided into two large factions headed by Oscar Monegro and Dr Luis Pantaleon. The PRD also has the traditional subgroups of "Majlutists," Jorge Blanco-ists," "Guzmanists" and "structureds."

With regard to the leftist parties, those with the most impact are the Dominican Communist Party (PCD), the Dominican People's Movement (MPD), the Workers' Communist Party (PCT) and Patriotic Union (UPA).

Public Ceremonies

The weekend of 23 and 24 April saw two major ceremonies in New York. The first was organized by the Federal Board of Directors of the Reformist Party and a group called "Dominican Progressive Impact." It included an homage to Dr Rafael Pedro Gonzalez Pantaleon, a Dominican doctor and politician who heads that board.

About 200 or more PR members attended the meeting. They cheered Dr Joaquin Balaguer and praised the virtues of Dr Gonzalez Pantaleon.

The New York Reformist Party members' political spirit is so great that at the same ceremony Dr Gonzalez Pantaleon's pre-candidacy for the vice presidency of the Dominican Republic was declared and many activities to achieve that goal were announced.

The following day, Sunday night, there was another mass meeting in a luxury hotel in the center of the city, attended by some 300 persons, mainly PRD members. This was a dinner-meeting organized by the La Estructura movement and was called by its president, Andres Vanderhorst.

Members of the PLD are also very active in New York. A party member who works in an electrical goods store on another New York main street gave one example of that. Last Thursday, after discovering that two persons shopping there were a Dominican living in the city and a journalist from LISTIN

DIARIO, the member took from a bag under the counter a couple of flyers on a meeting to be given the following weekend by Vicente Bengoa in the skyscraper city.

Sources of Funds

New York has traditionally been used by Dominican politicians as a springboard for their activities in Santo Domingo.

All the leaders, including some who have served as president of the republic, have had long stays in the skyscraper city making contacts with members of the Dominican colony.

However, there is a general complaint among the latter that seems justified. With some frustration, they say that the politicians only visit the city when they are candidates in order to obtain funds, and offer "villas and castles" and make many promises to the Dominican colony that they never keep. New York was where Dr Joaquín Balaguer, in exile, founded the "Social Action" group, which later became what is today the Reformist Party.

Also in that city, the Dominican Revolutionary Party got the decisive push to consolidate it into a mass political organization.

Main Hope

The main hope of the Dominicans involved in political life in New York is that a bill, now "sleeping the sleep of the just" in the National Congress, will be approved. Among other things, it includes the Dominican vote overseas.

In order to achieve that cherished goal, a joint movement is presently being negotiated, with the participation of all the political forces represented in the city, and the date set for its beginning is 3 July next.

8587

CSO: 3248/758

BRIEFS

VEGA PRAISES REAGAN SPEECH--Santo Domingo, 29 Apr, CANA-REUTER--The Dominican Republic yesterday praised President Reagan's speech on Central America but leftist groups burned U.S. flags in the capital. Foreign Minister Jose Augusto Vega Imbert said the address to a joint session of the Congress was energetic and responsible. He supported Reagan's view that the U.S. must preserve security in the Western hemisphere through combined military, political and economic measures to restore peace in Central America. Speaking to reporters, he recalled that in 1965 the U.S. sent 40,000 soldiers to this Caribbean island to stem a leftist rebellion. Police said U.S. flags were burnt in several parts of the capital and security around the U.S. Embassy was doubled. There were no reports of major violence. [Text] [FL291255 Bridgetown CANA in English 1217 GMT 29 Apr 83]

FISHERMEN HARASSED--Santo Domingo, 11 May, CANA-REUTER--The Dominican Republic sent a frigate to patrol its waters skirting the Bahamas yesterday, following press report that a Bahaman navy vessel had harassed Dominican fishermen, a Defence Ministry communique said. It said the frigate's mission was to ensure ships from the two Caribbean nations would not illegally intrude into each other's waters. The reports said a Bahaman navy ship had recently fired on two Dominican fishing vessels before pursuing them into Dominican waters. [Text] [FL111615 Bridgetown CANA in English 1419 GMT 11 May 83]

PRESIDENT TO CHAIR AGRICULTURAL COUNCIL--President Salvador Jorge Blanco has issued a decree through which he decided that from now on he will preside over the National Agricultural Council, the body which directs agricultural policy for the country. That announcement was made by Secretary of Agriculture Rafael Angeles Suarez who said the presidential decision will benefit the country's agricultural programs. Angeles Suarez said that from now on the president of the republic will have the opportunity to get first hand knowledge of the needs and achievements of the Secretariat of Agriculture. He said that Jorge Blanco would be in constant contact with regional agricultural directors so they can tell the president about the problems their communities are facing. [Excerpt] [FL161315 Santo Domingo Radio Mil Network in Spanish 1000 GMT 16 Apr 83]

GOVERNMENT CONTINUES TO POSTPONE ELECTION DATE WITHOUT EXPLANATION

Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 12

[Text] Vinicio Cerezo, secretary general of the Guatemalan Christian Democracy [DCG], states that the president of the Council of State, Jorge Serrano, and the secretary of public relations, Gonzalo Asturias, will have a difficult time explaining the reluctance of the government to set a date for the general election.

Cerezo added that neither will the aforementioned officials be able to explain the government's reasons for failing to establish a legal basis for the special courts.

Serrano and Asturias left for Washington to attend a forum at the University of Georgetown dealing with various aspects of national policy.

Cerezo indicated that he would also attend and that he would offer a Christian-Democratic point of view in relation to the situation in Guatemala.

He said, "We maintain a critical attitude toward the government because we believe that its policies are not sufficiently clear to guide the country firmly on the path to democracy."

Both the president of the Council of State and the secretary of public relations, as well as the secretary general of DCG are already in Washington.

9787

CSO: 3248/764

CONTROVERSY BETWEEN OFFICIALS REGARDING PROBLEMS IN GOVERNMENT

No Crisis in Government

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 27 Apr 83 pp 1, 8

[Text] "There is no crisis whatever within the government but merely a difference in judgment, something that is commonplace in any cabinet meeting. However, it is necessary to seek harmony," newsman Gonzalo Asturias Montenegro, secretary for public relations in the office of the Guatemalan president, replied on being questioned by reporters.

The reporters were referring to differences between the minister of economy, Julio Matheu Duchez, and Nicolas Buonafina, adviser to the Guatemalan president and president of the National Sugar Growers Association.

"There is a long-standing difference going back many years between the two sectors--the Ministry of Economy and the sugar growers," newsman Asturias Montenegro said, "so that the administration is analyzing the issue and compiling details to be made available to public opinion.

"In this case," he said, "information will be provided defining the government's position because this is not a personal issue involving an official but rather the administration and as such it will make a clear and conclusive presentation."

Trip to Washington, D.C.

Regarding another issue, newsman Asturias Montenegro answered questions about the trip of two officials to Washington, D.C.

"The Center of Strategic Studies at Georgetown University in Washington," he explained, "will hold a seminar on Guatemala which is really important because it will be attended by all types of individuals from the United States having a research interest in the area in the fields of science and politics, and they will be able to have their uncertainties resolved and to listen to a truly authoritative voice from the Guatemalan Government.

"For that reason the president of Guatemala's Council of State, engineer Jorge Serrano Elias, and I myself, as secretary for public relations in the office of the Guatemalan president, were invited to represent the government sector. Additionally, other Guatemalan personalities--a newsman, a political figure of the opposition, and perhaps a union leader or other person--were invited so that they might express their viewpoints and hold a dialogue with no holds barred. We have been collecting information to make a presentation of the Guatemalan reality in this year of Gen. Rios Montt's administration.

"We shall seize the opportunity," the official continued, "to speak with U.S. congressmen, senators, State Department officials, and all those involved with our region. We shall hold a press conference in Washington, D.C., and another in Miami, and we shall make contacts so as to be able to explain our viewpoints since it is necessary that we project them outside Guatemala."

Asturias Montenegro was asked how much the trip would cost and who the other Guatemalan guests would be.

"Every individual will pay his expenses," Asturias Montenegro answered. "The invited newsman is Jorge Carpio Nicolle; the politician is Vinicio Cerezo Arevalo. I don't know who the other person is. We leave next Sunday."

Friction Impedes Progress

Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 6

[Text] The arguments and friction existing between government sides are very painful because they cannot do much good to the regime. Officials should not exceed their authority and should adhere to ethical principles, the secretary for public relations in the office of the Guatemalan president, Rafael Escobar Arguello, said yesterday in referring to the problem which arose between Minister Julio Matheu Duchez and presidential adviser Nicolas Buonafina.

As is known, the friction which surfaced last week between the minister of economy, Julio Matheu Duchez, and the adviser of President Jose Rios Montt, Nicolas Buonafina, has monopolized the headlines in the principal mass media organs and comments in the various sectors.

Escobar Arguello, who reassumed his functions yesterday after returning to Guatemala from a trip to Japan, said that he had found out about the problem but that it was a very painful case.

"It would be ideal if individuals in government did not exceed their authority, and if they followed ethical norms.

"The truth is that it is very frustrating that there should be arguments of this kind and I believe that they do not do any government much good.

"However, it is a symptom of the democratic process initiated by the Guatemalan president.

"At any rate, this case will be adjudicated in the courts."

2682

CSO: 3248/780

IVA WILL CAUSE MINOR, CONTROLLABLE INFLATION

Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 4

[Text] The minister of public finance, Dr Leonardo Figueroa Villate, stated yesterday at a press conference that the aggregate value tax, IVA, would produce inflation but that it would be controllable.

The official added that a country that has no inflation is one that is actually suffering a slow death because a certain degree of inflation is necessary for a country to progress and to move forward.

"Ours is a low-level inflation in which the percentage of increase in the gross national product is 2.3, and the population growth is 3.5, which if multiplied together shows a 6.5 to 7 percent growth in the nation which would be serious because in that case, we would be moving backwards several years," he added.

"What we ought to look for is an inflation rate that is controllable and moderate so that it does not get out of hand," he added.

Measures Not Hastily Conceived

Figueroa Villate explained that the taxation measures that will go into effect on 1 July, including the establishment of the IVA, were not hastily conceived but rather are the result of studies which have been carried out over a considerable period of time.

"We are aware of the fact that any change relating to fiscal or tax reform faces a certain amount of resistance which will gradually disappear as an understanding develops through conferences, seminars, symposiums, discussions, etc. regarding the effects the change will bring about," he added.

Villate indicated that the Ministry of Public Finance has its doors open to all agencies (in the private sector), so that they can discuss the new fiscal policies. This was in response to a question put to him relating to the fact that the chamber of commerce had been one of the groups most interested in the introduction of the IVA, and that it seemed strange that it was now opposed to the tax.

No Currency Devaluation

Figueroa Villate reiterated that the currency will not be devaluated and that the introduction of the proposed series of tax increases and reductions has precisely as its goal the preservation of the parity of the quetzal.

"If the IVA alone were imposed, the effect might possibly be negative, but since there are other measures which will simultaneously promote economic recovery, that will not occur," he said.

He stated that statistical comparisons cannot be made between the situation in Guatemala and that of other countries like Mexico, Chile and Argentina because the devaluations which occurred in those countries originated from other causes and are not the result of the introduction of the IVA. He mentioned that this tax originated in the European Economic Community and other non-member countries like Austria, Norway and Sweden. It has been established in most South American countries and in all of Central America except El Salvador, Nicaragua and Guatemala.

The Appropriate Time?

In response to a question regarding the inappropriateness of introducing the IVA at this time in Guatemala because of the serious economic situation, Villate stated that this has been the argument of some people who initially were in agreement with the establishment of the tax but who now had changed their opinion stating that this is not the appropriate time.

"The most appropriate time to change from one type of tax to another is when a country is enjoying prosperity, when our exports have quotas and high prices and the economy is recovering. In periods of recession such as we are experiencing now, it is a little more difficult, if we are talking about a single tax. But as I said, there are a series of tax measures which will promote economic recovery," he explained.

Cotton Crop of 92,000 Manzanas

Figueroa Villate mentioned that among the factors that will contribute to the above goal are the plan to plant 92,000 manzanas of cotton, the existence of a guaranteed fund of 200 million quetzals as well as 50 million quetzals in advance for agricultural activities in general, and a fund of an additional 87 million quetzals from the Central Bank for the recovery of various production levels or sectors.

"In other words," he added, "there are both fiscal and credit incentives available."

9787

CSO: 3248/764

CREDIT INSTITUTIONS TO RECEIVE DEPOSITS IN DOLLARS

Mexico City EXCELSIOR in Spanish 27 Apr 83 pp 1, 14

[Article by J. Jesus Rangel M.]

[Text] Beginning next Tuesday, the country's credit institutions will be able to receive deposits in United States currency from firms established in Mexico--payable on demand or at term up to a year and in a minimum amount of \$5,000 for each deposit--and to extend credits, also in foreign funds, for the financing of exports, both for production and for their marketing.

The Banco de Mexico [Bank of Mexico] announced these measures yesterday and noted that those funds not earmarked for credit to exports will have to be invested by the banks in deposits at first-rate banks abroad or in commercial instruments denominated in foreign currencies of recognized soundness.

The Banco de Mexico specified that the objective of these provisions is that credit institutions may rely on foreign currencies to help them meet their obligations stemming from deposits made in foreign funds.

It noted that these measures are part of the Immediate Program of Economic Restructuring and of the Program for the Protection of Productive Plants and Employment and strive, principally, to establish financing for exports.

The Banco de Mexico commented that these measures were taken at the request of numerous firms established in the country and with the purpose of offering them the possibility of investing their foreign funds within Mexico and of arranging that the resources in foreign currencies which production plants generate may be applied to finance export operations.

Accordingly, beginning on 2 May 1983, credit institutions will be authorized to receive deposits from firms established in Mexico denominated in U.S. dollars drawn on foreign institutions and to grant them credits earmarked for the financing of exports.

Said firms will be able to build up deposits through the transmission of documents payable on demand denominated in foreign currencies and instruments payable abroad through transfers of funds into accounts abroad or through the submission of foreign notes or currencies.

The advantages of that system result in the strengthening of the government vis-a-vis the legislative branch: but that is what makes the system of two major parties progress in the democratic world, while the multiparty system retrogresses. The experience of the last third of the century demonstrates that otherwise the new industrial democracy would become ungovernable. These theoretical realities have a practical application to presentday Spain. The government party may have made a mistake by attempting--with an abuse of the government's own machinery--to destroy the possibility of the two-party system, to assure some advantage for itself (of alarming memory, for sure) and has begun to call itself the "hegemonic party." Today we cannot ignore the seminal tendency toward the one-party system prevalent in one sector of the PSOE. The attacks by the government party against the opposition which at times are carried out surreptitiously with the resources and influence of that selfsame government, conceal a method of corrupting democracy at odds with the practices of the West. Let this be quite clear.

After the slight advance of the Popular Coalition and the retrogression of the PSOE, to deny today the two-party evolution of our system would not make sense. On this decisive point it will be necessary to hold a truly national debate, which will be useful in the explanation of things rather than in their distortion.

The two-party phenomenon which emerged with unaccustomed force on 28 October, shattering a multiparty scenario, has not been carried away by the winds of autumn. This is all the more true if we keep in mind all the obstacles set up to prevent things from happening that way, opening the door to a so-called third force. The failure of that operation is one of the key factors in what happened Sunday. But to measure it in all its intensity we must take a look at the number one obstacle: a proportional election law which favors the multiparty system. Unlike the two-round election system which makes the formation of two large blocs possible, the Spanish system leans in the direction of a spectrum of political forces by bringing about a dispersion of votes instead of their concentration. And precisely one of the exceptions that political science experts are beginning to study is the exception to be found in Spain, yesterday in the legislative elections and today in the municipal elections, where the proliferation of options is all the more viable because of the local character of municipal elections.

In spite of all the subjective obstacles mentioned above and the objective obstacles relating to the election law, the two party system is a fact. Social reality combined with the economic situation is so potent that it ends up shattering administrative constraints and personal or party maneuvers. An election system as sensible as that of France would bring about the total fruition of this state of mind which is gaining ground in the major social sectors. Except for small organizations, such as the peripheral nationalisms and the testimonialism of the communist Left which do have structure, in Spain there appear to be only two major parties capable of governing in these years of democratic consolidation.

The Banco de Mexico specified that the minimum amount of each transfer or deposit will be U.S. \$5,000. This floor, however, will not be applicable to deposits received from firms established in the border regions and free trade zones of Mexico.

The Banco de Mexico added that the said deposits will yield interest at rates to be determined by the depositary bank without exceeding the market-set interest level by more than 1 percent. Firms will be able to open demand deposit accounts or term accounts up to a year.

The bank explained that demand deposits will be documented by deposit agreements providing for the possibility of the depositor making multiple deposits and withdrawals within the framework of the said agreement.

Term deposits will be documented by certificates or other proof of deposit. In both cases it will be clearly specified that they are payable from funds held abroad or through drafts or travelers' checks payable abroad and denominated in U.S. dollars. The same system of payment will be used in demand deposit accounts.

Finally, the Banco de Mexico noted that from the funds received from the said deposits the credit institutions will be able to make payments in U.S. dollars drawn on a foreign bank with a maximum 6-month term to support exports of products of Mexican origin. This includes the financing of products and/or inventories of goods slated for sale abroad.

2662

CSO: 3248/772

LOWER PRODUCTION, UNCERTAIN DEMAND FACE IRON, STEEL INDUSTRY

Mexico City NOVEDADES in Spanish 29 Apr 83 "Finanzas" suppl. p 1

[Article by Rocio Castellanos R.]

[Text] It is not possible to postpone any longer investments in the iron and steel sector because not to do so would mean that within no more than 6 years Mexico would have to import about 5 million tons, mostly of finished products, to meet its domestic demand.

This is what Pedro Luis Lopez, the outgoing president of the National Chamber of the Iron and Steel Industry, asserted on rendering his working report.

He outlined the situation in the iron and steel sector and noted that the deterioration of its economy, primarily in the second half of 1982, caused steel production, which in 1981 reached 7,673,000 tons, to total no more than 7,048,000 tons [in 1982], a figure similar to that of 1978.

Pedro Luis Lopez reported that last year there was a drop of 11.5 percent in the output of finished iron and steel products and unwelded piping; of 15.3 percent in rolled sheets; and of 9.2 percent in products other than sheets.

However, Pedro Luis Lopez indicated that [in 1982] there was a slight increase of 4.6 percent in the production of unwelded pipes and of tin-plated sheets, 29,000 more than during the earlier year, which meant a relative decrease in the import of tin-plated and chromium-plated sheets.

Domestic Consumption

Regarding the domestic consumption of steel products, Luis Lopez noted that the drop was dramatic. While in 1981 the domestic market had absorbed 8,596,000 tons of iron and steel products, in 1982 this figure fell to 6,413,000 tons of finished products.

Pedro Luis Lopez said that the critical situation being experienced by the iron and steel industry at this time, as a result of the economic adjustments that have occurred, has brought about a drop in employment levels in the sector.

Luis Lopez gave assurances that before a situation such as that which now faces the industry involving a drop in production and the uncertainty of demand, steel plants find themselves restrained in the restructuring of their plants, the revamping of their operational systems, the basic maintenance of their equipment and facilities, and the study and formulation of alternative plans with a view to improved productivity while waiting for a reactivation of the market.

2662

CSO: 3248/772

NEED FOR SINGLE SCIENCE-TECHNOLOGY POLICY DISCUSSED

Mexico City UNOMASUNO in Spanish 27 Apr, 4 May 83

[Article by Javier Flores: "Rationalizing Science Spending"]

[27 Apr 83 p 19]

[Text] The economic crisis is testing, to the full extent of its severity, the present structure of the national scientific and technological system. One of the main features of this structure is federal government spending in these areas. The possibilities of having a consistent, realistic national science and technology policy which makes it possible not only to deal with the negative effects of the crisis, but also to assure national development in these activities and to direct the scientific-technical effort to the nation's advantage, also depend on a structure whose ability to meet these requirements is debatable. The foregoing makes it necessary to review the components of federal government spending for science and technology in order to determine whether its present characteristics are best suited for coping with the crisis and for future planning of scientific-technical activities, or whether it is necessary to modify them in regard to the sound development of these activities.

Although federal government allocations for science and technology represent about 85 percent of national spending for these areas--budgeting of 29.165 million pesos implemented during 1981--it is obvious that these allocations, even before the crisis erupted, are insufficient since, as has already been amply discussed, national science and technology expenditures for 1981 as a percentage of the GDP [gross domestic product] represented only 0.6 percent, financing that is typical of underdevelopment. A further aspect of this chronic curtailment of the budget for scientific and technological activities concerns the distribution of such funds. Such management is characterized, as we shall see, by a broad spread, which also represents one of the greatest problems in getting any national science and technology plan or program underway, besides leading to the burdensome increase in operations.

At the present time, some quarters consider CONACYT [National Council for Science and Technology] exclusively responsible for the management of national science and technology policy, a belief inconsistent with reality, for since it was founded, this agency's part in the management of expenditures has been extremely limited, as may be noted in table 1.

Table 1. (in millions of pesos at current prices)

<u>Year</u>	<u>Federal Government Spending for Science and Technology</u>	<u>CONACYT Expenditures</u>	<u>Percentage</u>
1971	1,490	43	2.88
1972	1,895	101	5.32
1973	2,430	165	6.79
1974	3,105	197	6.34
1975	3,313	319	9.62
1976	4,022	467	11.61
1977	5,428	543	10.0
1978	8,091	831	10.27
1979	10,985	1,204	10.96
1980	17,018	1,832	10.76
1981	29,165*	3,057*	10.48
1982	50,965**	4,748**	9.31

Source: CONACYT

*Budget implemented that year. Source: Jose Lopez Portillo, Government Report VI, Educational Sector Appendix.

**Original budget authorized that year. The amount does not take into account budget cutbacks resulting from the crisis. Source: Jose Lopez Portillo, Government Report VI, Educational Sector Appendix.

As may be observed, CONACYT's expenditures as a percentage of federal government spending for science and technology currently represents only about 10 percent. Given the features of the Mexican political system, it is valid to wonder whether it is possible that an agency with such limited power in the management of science and technology expenditures could be responsible for national policy in these areas. We must face the fact that the task is complex, to say the least, as there are agencies managing far greater science and technology funds than CONACYT and also the position of some of them, particularly that of some state secretariats within the national political hierarchy, reduce CONACYT's functions regarding the formulation of national science and technology policy to a purely normative status, without any real power to influence decisions concerning expenditures. The distribution of federal government expenditures for science and technology is illustrated in table 2.

First of all, we can see that there is a very broad spectrum in the distribution of expenditures, which is managed by 13 agencies, including state secretariats and official institutions. Our attention is drawn strongly to the enormous influence of the agrarian sector, which is responsible for managing about half of all expenditures. Also of interest is the limited amount of budget allocations for science and technology to health care institutions and the Secretariat of Fisheries, since their operations fall within priority areas,

or at least this is what is said in official speeches. Thus there is a broad spread in the management of expenditures without having a policy for coordinated direction of their use in behalf of the national interest.

Table 2. Distribution of Federal Government Expenditures for Science and Technology in 1982 (in millions of pesos at current prices)

<u>Agency Responsible</u>	<u>Original Authorized Budget</u>	<u>%</u>
Secretariat of Agriculture and Water Resources, Executive Commissions and Secretariat of Foreign Relations	24,099	47.29
Secretariat of Public Education-CONACYT	8,871	17.40
Secretariat of Finance and Public Credit	8,586	16.85
Secretariat of Planning and Budget	5,569	10.93
Secretariat of Health and Assistance, Mexican Social Security Institute, Institute of Social Security and Services for Government Workers, and System for Complete Family Development	1,682	3.30
Secretariat of Communications and Transportation	1,028	2.02
Secretariat of Fisheries	846	1.66
Secretariat of the Navy	284	0.55

Based on data from: Jose Lopez Portillo, Government Report VI, Educational Sector Appendix.

[4 May 83 p 19]

[Text] In our opinion, the principal factor characterizing the distribution of federal government spending for science and technology is the broad spread. A choice arises here between the existence of a national science and technology policy or the existence of multiple policies in this area. In other words, the problems presented in our country by the formulation of a national science and technology policy lie, to a good extent, in the existence of sectoral diversity in this regard. One example of the foregoing is the area of scientific training of human resources. Although CONACYT is the agency responsible for granting most scholarships for postgraduate study, to which it allocated 47.1 percent of its assigned budget in 1982, the training of these resources and the granting of scholarships is also the responsibility of practically every agency managing the remaining expenditures. Thus while CONACYT grants scholarship funds, most of the other institutions follow a different policy, not only in regard to the nature of the scholarships, but also in regard to their amounts. A particularly serious matter is that of the multiplicity of operations found in all sectors of the government, science and technology, which represents an enormous drain of resources at a time when they are so badly needed and adds substantially to the bureaucratic apparatus in this regard.

Because of the problems in getting coordinated activities underway, due to the existence of a certain kind of political feudalism and to the differences which may also occur as a result of the conflict among the various policies, expenditures are carried out without conforming to any comprehensive guidelines. At the same time, the spending structure is totally unable to cope with the present crisis situation. Thus, and just to cite a couple of examples, the damage caused by the crisis to research activities, due to budget cutbacks, has led important sectors of the scientific community to propose that an emergency fund be established in order to have enough resources so that research underway will not be halted. This proposal, made last September during the presentation ceremony for the awards of the Academy of Scientific Research and which has been reiterated in the forums of Public Opinion, has not received any response, among other reasons because unless a special budget category is created, it is unclear which agency or agencies in charge of managing expenditures will consent to allocate part of their funds for this purpose.

The other example concerns the present situation of the health care sector. The economic crisis has given rise to an extremely serious situation because of the shortage of medical drugs, making self-sufficiency urgent in this field dominated by the multinational corporations of the chemical-pharmaceutical industry. The possibilities of achieving real self-determination lie with the possibility of providing an adequate scientific-technical infrastructure in the drug production sector. In this regard, as Victor Manuel Juarez and Marco Antonio Mares stated in a notice published in this newspaper (UNOMASUNO, 8 April 1983), the health care sector plans to begin a human resources training program so that it can in turn adopt a technological research and development program. As we have seen, health care institutions manage only 3.3 percent of all federal government expenditures for science and technology, which makes it difficult to achieve the goal of supplanting imports of medical drugs. Under its own policy, CONACYT itself also manages human resources training in the field of pharmacology and, at least in the past, has supported various research projects in this field. However, in this situation, for which a precise and coordinated resource-allocation program would be desirable, particularly because it may represent a way to possibly nationalize the chemical-pharmaceutical industry, the present spending structure also represents a hindrance which must be combated.

If the present structure of the national scientific and technological system is maintained, of which the features and distribution of government expenditures are only a reflection, not only will it be difficult to deal with the problems of the present economic crisis, but it will also be impossible to formulate a national science and technology policy for the country. It will therefore be difficult for the goal of national self-determination, mentioned so frequently in official speeches, to be anything more than purely rhetorical.

Thus the rationalization of federal government spending for science and technology, especially with regard to its management, is one of the most urgent tasks. It is now clear that a policy which is unable to provide alternatives to the crisis and which cannot meet intermediate and long-term

needs, because of the inherent limitations in its structure, must be changed. The broad spread in the management of expenditures and the diversity of the existing science and technology policies should be replaced with centralized management of expenditures and a single comprehensive policy for science and technology. One of the ways to bring about the foregoing could be by creating an agency, with the status of a state secretariat, which would centralize the management of spending in these areas and would orchestrate a national science and technology policy that would make it possible to deal with the problems caused by the crisis and to develop scientific-technical activities in Mexico in the future. The concept of creating an agency with these features is based, in addition to the problems already described, on the experience of other nations, among which we should note the case of France, which has established a ministry for the administration of science and considers science and technology essential for overcoming the crisis.

It must be pointed out that both distribution criteria and the management of federal government spending for science and technology should be presented candidly to the citizenry, of which the scientific and technological community's opinion is an essential part.

11915

CSO: 3248/802

GOVERNMENT DECREE ON EXTRAORDINARY TAXES IMPOSED

Managua LA PRENSA in Spanish 19 Apr 83 p 14

[Text] "Year of struggle for peace and sovereignty."

The General Directorate of Revenues (Ministry of Finance) makes public the Law on Extraordinary Taxes on Revenues.

LA GACETA issue No 75. Monday, 4 April 1983

Decree No 1223.

The Junta of the Government of National Reconstruction of the Republic of Nicaragua,

Whereas,

1--The efforts of the Government of National Reconstruction aimed at finding solutions, through dialogue and understanding, that will make it possible to progress beyond the state of emergency, have been hindered by the policy of U.S. imperialism which is fostering armed aggressions against our country;

2--There is a need to secure additional resources to meet the external aggression without eroding the economic measures adopted to protect and boost the productive activity;

3--Such resources can only be obtained through taxes of an extraordinary nature;

Therefore, exercising its powers it decrees the following "Law on Extraordinary Taxes on Revenues."

Title 1: Taxes on Revenues

Article 1.--An additional surcharge will be imposed on the income tax due for the 1982-1983 fiscal period, on the real estate and personal property taxes for the 1983-1984 fiscal period and on the current year's taxes arising from the transfer of real estate and from duties on inheritances and legacies, in accordance with the provisions contained in the following articles.

Article 2.--In the case of real estate and personal property, income, duties on transfer of real estate, duties on inheritances and legacies, the additional surcharge will be 10 percent of the taxes due.

For incomes, the additional surcharge will be imposed when the amount of taxes due is more than 5,500 cordobas.

Article 3.--The surcharge set by the present law will be paid without prejudice to the full exemption from tax provided by special laws except in the cases mentioned in Article 15 of the Ordinary Tax Legislation.

The surcharge will be levied even if the actual payment or the corresponding tax returns are sent in later than the date prescribed by the laws applicable to the granting of special delays.

Article 4.--The surcharge established by the present law must be paid in cash in conformity with the methods of payment prescribed for each type of tax.

Title 2: General Provisions

Article 5.--The Ministry of Finance will be given authority to issue whatever regulatory orders it deems necessary.

Article 6.--The present law goes into effect as of the date of its publication in LA GACETA, the official daily publication.

Issued in the City of Managua on 26 March 1983. Year of the Struggle for Peace and Sovereignty.

The Junta of the Government of National Reconstruction: Sergio Ramirez Mercado, Rafael Cordova Rivas.

8796

CSO: 3248/748

PEASANTS CRITICIZE 'DIVERSIONIST MANEUVERS' BY CUS

Managua BARRICADA in Spanish 24 Apr 83 p 10

[Text] La Trinidad, Diriamba, Carazo (Edwin Sanchez)--An attempt by the Confederation for Trade Union Unity (CUS) to carry out a diversionist maneuver in the area of Diriamba was denounced in La Trinidad by farmers from various local cooperatives.

The scheme is to create what is known as a Farmers' Federation. Some of the farmers members of the cooperatives who attended several meetings prior to the "founding" were surprised to hear how they were advised not to take part in any of the tasks of the revolution, least of all in its defense, not to join a cooperative and were told that they would have lands and financing.

According to what the farmers have reported, this federation is putting pressure on some cooperative members and threatening them. For instance, Companero Santiago Gutierrez, from the German Pomares Cooperative, reported that some members of the federation have approached him on several occasions making death threats against him but, he said, "this intimidation will have no effect whatsoever with me and will not make me change my mind." He was one of the people who attended the initial meetings.

The federation is trying to carry out its activities in the area covering Buenavista del Norte, Santa Lucia, Casares, La Boquita, Ceniza and Apompua.

Comrade Marcos Cruz, member of the CDZ [Zone Defense Committee] of the FSLN [Sandinist National Liberation Front] in Diriamba, reports that he was able to establish that the federation activists were not people from Diriamba and they they are carrying out diversionist activities of an economic and political nature to persuade the farmers to break away from the UNAG [Farmers' and Cattlemen's Union], to destabilize the program of agrarian reform, to incite the peasants to arbitrarily seize lands and to destroy the cooperative movement in the area.

However, the comrade peasants are preparing to get their fields ready for the sowing of basic grains and actively participate in the militias.

Comrade Vidal Cerna Cruz, president of the Rolando Romares Cooperative where 700 squares of basic grain will be planted this year, said that the creation of the so-called Farmers' Federation is of no real significance and that the federation owes its existence to the publicity which it was given in LA PRENSA. "In my community," he said, "nobody was aware of its founding."

As for Companero Fernando Pena Chavez, who is president of the Mario Baltonado Lopez Cooperative, he said, expressing the feelings of his comrades, that the peasants will strengthen their organizations and will prevent the split sought by the people of the CUS. "We welcome back the few comrades who allowed themselves to be misled to join us in our agricultural project which has the backing of the government and is good for the peasants," he said in conclusion.

8796

CSO: 3248/748

BRIEFS

NATIONAL SUGAR HARVEST--Sources connected with ENAZUCAR [Nicaraguan Sugar Enterprise] indicated yesterday that the 1982-1983 sugar harvest will produce a total of 5,054,576 quintals of sugar which, compared to the previous crop, represents an increase of 100,000 quintals. In spite of the fact that during the current season the country's sugar mills faced serious problems when their supplies of raw product dropped due to the last year's bad weather in May and to the drought, first-rate efficiency was recorded in the processing area according to informed sources. Figures indicate that the production target set for the mills of the People's Ownership Sector [APP] was 173.33 pounds of sugar per ton [of sugar-cane] but, in fact, their yield so far stands at 186.17 pounds. On the other hand, the San Antonio Mill, which is privately owned, is keeping up with its initial estimated yield of 190 pounds per ton and will achieve a production of 2,705,706 quintals of sugar. These good results are due to the creativity and hard work of the workers since the mills faced the same serious problems as other industrial sectors in obtaining foreign exchange to get spare parts. The German Pomares Mill started harvesting its sugarcane without having done the proper maintenance work on its machinery and this is why it had to send 70,000 tons of its raw product to the San Antonio Mill. Other mills, such as the Javier Guerra and the Julio Buitrago, were not able to meet their production targets due to the already mentioned weather problems which seriously affected the national economy this past year. Meanwhile, the Camilo Ortega Mill, in the Atlantic, hopes to meet its production target of 105,000 quintals and the Benjamin Celedon Mill expects to surpass its production target by 6,821 quintals. [Text] [Managua BARRICADA in Spanish 24 Apr 83 p 1] 8796

CSO: 3248/748

BOUTERSE, ALIBUX SAID INVOLVED IN DECEMBER EXECUTIONS

Rotterdam NRC HANDELSBLAD in Dutch 16 May 83 p 4

[Article by editor Franz van Klavern based on the book, The December Murders in Suriname, Report of an Eyewitness. It has a postface by Doctoral Candidate H. Chin A. Sen, published by World Window, Bussum, price 9.50 guilders: "Bouterse, Alibux Involved in Executions"]

[Text] A number of leaders in the present Suriname society are directly involved in the blood bath which cost the lives of 14 Surinamers and 1 Dutchman last year on the night of 8 and 9 December at Fort Zeelandia in Paramaribo. This revelation--and others--appear in the pocketbook, The December Murders in Suriname--Report of an Eyewitness, which appeared today.

As the writer states, the following were involved in the preparations for the massacre, which ran according to a script: Commander Desi Bouterse, deputy commander, the deceased Roy Horb, the present Suriname Prime Minister Errol Alibux, former minister, Harvey Naarendorp, Minister Badriessen Sital, Palu ideologist Ivan Krolis and the military man, Paul Bhagwandas.

Except for Krolis, they were all in the fort when the execution of the 15 critics of the Bouterse government took place, as the book relates. According to the writer, only Bouterse shot down victims with his own hand, namely trade union leader Cyril Daal and the military man, Soerindre Rambocus. Bouterse reportedly first castrated Daal personally: an injury which was confirmed later after examination of witnesses in a report of the Netherlands Jurist Committee. The rest were killed by an execution squad which was organized by the "executioner of Paramaribo," Paul Bhagwandas.

The writer of the book is remaining anonymous "to protect his life" because "my role in present day Suriname is still not finished." His book is based--so it appears from the preface--

mainly on notes made after detailed conversations with Roy Horb, who after the massacre fell into disfavor himself and was found dead in a cell block on 3 February 1983 under very suspicious circumstances.

Somewhere in the book Horb says, who obviously began to speak when he saw his life threatened: "If I should die in a traffic accident, drowning or whatever, you will know one thing, I was murdered, murdered by Desi and his gang."

After the vicissitudes connected with Hitler's diary, Bouterse's supporters will discount the "Report of an Eyewitness" as a falsification. This will not go over easily for former president, doctoral candidate Henk Chin a Sen, who also kept a journal of his conversations with Roy Korb, comes to the following conclusion in the postface: "This book is a truthful report of some aspects of what took place in Suriname on 8 December 1982. The information and many passages agree with what Major R. Horb and others told me in that period."

Details

Moreover, the book has so much detailed information that it can only have been written by an insider. A number of the atrocities he reported, moreover, were already revealed partly in other ways from "talkative Suriname," in various Dutch media sources.

The book becomes even more credible because of the fact that Prime Minister Alibux in the government statement of 1 May 1983 does not say a word about the death of the 15, let alone that he would desire an investigation regarding the guilty parties.

The book begins with the bewilderment in part of the then Council of Ministers when the events in Fort Zeelandia are revealed. Commander Bouterse, who submits the report and in passing tries to confuse the ministers present with a ridiculous story about an air attack, "appears completely unmoved." He carries a red briefcase under his arm. It was the grimest meeting which ever had taken place in the room.

Restrained

The ministers present appear not to have the faintest idea of what took place that night behind the fort's walls; it was only heard that Daal reportedly was dead. According to the book, Bouterse was very reserved with the mini-Council of Ministers in providing information.

"The bewilderment in the room changes into a desperate process of elimination. Is Baboeram involved? And Gonsalves? And Hoost? And Riedewald? Bouterse nods after having consulted the papers in his brief case by each name." Minister Leeftang then fainted, it was necessary to revive him Minister Neijhorst by pulling on his beard.

The book also describes the alienation which increases between Commander Bouterse and Deputy Commander Horb. Horb--always more isolated and after the blood bath no longer sure of his life--appears to have provided the writer full and detailed information about the consultations which preceded the abuses and the massacre.

Horb--indispensable as "flag" of the military authority--was always included when the plans were already in a rather advanced stage. Confronted with very dubious facts accomplished, however, he always chooses Desi Bouterse's side, although it comes to open clashes in so doing. So, according to the book, Horb was not aware of the plans to kill those arrested; he assumed that they were only arrested.

Eyewitnesses

From Horb's notes, which were reproduced in Report of an Eyewitness: "Bhagwandas then referred to the agreement which was made earlier to kill all 16 men. I did not understand what I heard and asked for an explanation. Bouterse related the reasons. I (Horb, therefore FvK /expansion unknown/) then said that nothing like that could take place and it would be a terrible shock to the community. Alibux answered: a strong shock must precisely be produced in this community to stir up everybody. The revolution, so Alibux said, did not create that emotional shock in 1980. This is the reason why the community's style of living has not changed. Moreover, as long as the counterrevolutionary forces still get the chance to agitate, the revolution will never be successful. We have no choice and moreover, it must start with a terror effect. After a short period of unrest, people will quiet down afterward and only then will it be possible to govern."

"I (Horb, therefore FvK) did not understand what I heard. I have already gone through a lot, but this is the limit. I looked at Alibux and could not utter a word."

Still Horb takes part in the game. He even quarrels with Bouterse when he wants to save the life of trade union leader, Fred Derby. If Cyril Dall must die, then Derby should also, that is Horb's point of view.

Harbinger of Death

The book describes extensively the executions for which Harvey Naarendorp invents the excuse "shot dead while escaping." According to the book, Bouterse himself appears to want to act as the announcer of the death sentence. "When Daal (on hearing his death sentence - FvK) began to cry, Bouterse said that a man does not cry and that therefore Daal has no right to a sex organ. He took a bayonet from Bhagvandas and castrated Daal with it. Daal was on the verge of unconsciousness. Thereupon the commander took a pistol and shot him."

Minister Harvey Naarendorp left the fort "while the executions were in progress, staggering like a drunkard."

The Report of an Eyewitness is divided into two parts. The second part describes Horb's last weeks; the number of his direct quotations decreases. But even in this stage--up to and including Horb's burial--the book is characterized by extensive detailed description.

So, among other things, it describes the panic which seizes Horb when false evidence of his CIA activities is put into circulation, and the writer reveals the identities of those who visited Horb's cell just before his death.

The last meeting between Bouterse and Horb is dramatic, "full of interpersonal emotions which are concealed by rigid and formal military behavior."

Bouterse--who shoots down Daal and Rambocus with his own hand--emerges in the book as the one who did not want Horb's death, at any rate hesitates about it. According to the book, after Horb's death, he was dead drunk for 2 days.

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CONGRESS OF INDUSTRIALISTS REJECTS PRICE CONTROL SYSTEM

Caracas EL NACIONAL in Spanish 30 Apr 83 p D-7

[Text] Maracay, 29 Apr (Special)--The government should abrogate the decree establishing price controls because free competition is the best regulator of market prices, it was stated yesterday at the 14th National Congress of Industrial Chambers and Associations being held in Maracay.

Nevertheless, the industrialists recognize that there are in fact situations in which the government should intervene with regulations and supervision, including price controls. But in the present circumstances there is no reason to regulate prices by a decree, that authorizes the Ministry of Development to set prices, participate in the marketing of products, and punish violators.

The assembly summed up in seven key points its position in favor of progressive elimination of government price controls:

1. Maintain controls on the lowest possible number of really essential articles, that is, on those very few products that are in fact essential for basic daily food consumption.
2. The system should not and must not at any time signify freezing prices at uneconomic levels.
3. It should be established for a brief period of time that is set in advance and with the full knowledge of the industrial sector.
4. It should be subject to a system of automatic price adjustments that takes into account the variations in all the basic costs of products and permits a return on income to the extent that new investments are stimulated, which in the end is the basis of competition.
5. The error of using isolated price controls as an anti-inflationary measure must never again be committed but must be accompanied by other economic, monetary, and fiscal measures.

6. Likewise, the adjustment mechanism must be fully understood by the industrial sector so as to prevent modifications from being subject to political considerations. At the same time it is necessary to centralize the administration of the system in a single government office in order to avoid duplication of functions, as well as the application of different criteria in price matters.

7. Price control policies for businesses should be accompanied by clear statement of business policies. In this way price distortions caused by inadequate use of marketing systems will be avoided.

Price adjustments being suggested to the government should, in addition, include two additional aspects: a definition of minimum productivity levels and coherent industrial development.

The delegates to the annual congress of the Industrial Chambers want more than regulation or administration of prices. What they want at this time is the establishment of anti-inflationary measures and economic recovery in industry. The establishment of rigid controls is a hindrance to recovery, they feel.

9015

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BRIEFS

INDUSTRIAL DEBT MORATORIUM, REFINANCING--Maracay, 29 Apr (Special)--If the banks and the Venezuelan Government do not create the appropriate conditions immediately for the industrial sector to recover and turn optimistic again in a short time, the industrialists will be obliged to go to the extreme of asking the country's financial system for a moratorium and refinancing of private industrial debt, Carlos Ramirez Machado, president of the Venezuelan Industrial Council, said yesterday. The business leader indicated that the proposal he submitted two nights ago was very disturbing and was an effort to call attention to the fact that the living standards of all Venezuelans had improved, implying precisely that such a request for a moratorium could be avoided. In view of the commotion caused at the congress by the possibility of an eventual moratorium or prolonged refinancing of internal private debt, Ramirez Machado stated that industry should work together with government on the efforts needed to reactivate the industrial apparatus, with the point of departure being nothing less than maintaining and improving employment levels. [Text] [Caracas EL NACIONAL in Spanish 30 Apr 83 p D-7] 9015

SERIOUS GRAIN SHORTAGES IN LARA--Barquisimeto (Special)--A total depletion in supplies of grains and cereals has occurred among public and private distributors in this city, resulting as a consequence in emergency imports of some 10,000 tons of black beans through CORPOMERCADEO, ASOGRANO, and some local importers. This revelation was made by Antonio Gonzalez, an official of the Venezuelan Supply Chamber. He felt this was an unusual case given the fact that Barquisimeto is the point from which 70 percent of the country's agricultural food products is shipped, yet there was not one single sack of cereal or grain in the local warehouses. "Emergency imports of 10,000 tons of black beans were arranged in order to guarantee consumption over the next two weeks. The imports were arranged through CORPOMERCADEO, ASOGRANO, and local importers with the consent of the National Supply Commission until RECADI can find a more permanent solution," Gonzalez said. He warned of the inevitable consequences that would occur as a result of the exchange controls, the theme of the moment, and said that in a short time inflation, shortages, and speculation would begin to be felt. [Text] [Caracas EL NACIONAL in Spanish 30 Apr 83 p D-8] 9015

ECONOMIC DETERIORATION IN MONAGAS--Maturin (Special)--Business leaders put their problems before Governor Luis Guevara Manoslava, to whom they presented a document attesting to the economic deterioration prevalent in Monagas. Demanding the cancellation of outstanding debts, the presidents of business, industrial, and agricultural organizations stated that 100 million bolivars were owed to builders. "We have noted the rate of economic deterioration and the fact that short-range measures are not available to reactivate the economy," the business leaders said. They explained that debts were forcing many businesses to close. "I promise you I will take the necessary steps to cancel the debts, and I hope to meet with you again," the governor said. [Text] [Caracas EL NACIONAL in Spanish 30 Apr 83 p D-8] 9015

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